

**VALLEY FINANCIAL GROUP, LTD.**

	CPP Disbursement Date 12/18/2009	RSSD (Holding Company) 3223293	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev		
Assets	\$154	\$160	4.1%		
Loans	\$124	\$123	-0.7%		
Construction & development	\$7	\$5	-26.5%		
Closed-end 1-4 family residential	\$15	\$11	-25.1%		
Home equity	\$7	\$6	-6.5%		
Credit card	\$0	\$0	10.0%		
Other consumer	\$2	\$2	-34.7%		
Commercial & Industrial	\$39	\$42	7.7%		
Commercial real estate	\$51	\$53	4.0%		
Unused commitments	\$40	\$46	16.3%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$1	\$2	10.9%		
Asset-backed securities	\$0	\$0			
Other securities	\$6	\$3	-55.3%		
Cash & balances due	\$14	\$21	55.8%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$139	\$144	3.5%		
Deposits	\$120	\$123	2.5%		
Total other borrowings	\$19	\$21	9.1%		
FHLB advances	\$19	\$21	9.1%		
Equity					
Equity capital at quarter end	\$14	\$16	9.7%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$1	NA		
Performance Ratios					
Tier 1 leverage ratio	8.7%	9.2%	--		
Tier 1 risk based capital ratio	9.8%	11.3%	--		
Total risk based capital ratio	11.0%	12.4%	--		
Return on equity <sup>1</sup>	50.5%	3.8%	--		
Return on assets <sup>1</sup>	4.5%	0.4%	--		
Net interest margin <sup>1</sup>	3.4%	3.7%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	62.2%	160.4%	--		
Loss provision to net charge-offs (qtr)	471.4%	114.8%	--		
Net charge-offs to average loans and leases <sup>1</sup>	0.1%	0.6%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010	
Construction & development	0.0%	0.0%	0.0%	0.0%	--
Closed-end 1-4 family residential	5.4%	1.3%	0.0%	0.1%	--
Home equity	0.0%	0.4%	0.0%	0.5%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	2.8%	1.4%	1.0%	0.4%	--
Commercial & Industrial	0.4%	0.2%	0.0%	0.2%	--
Commercial real estate	2.9%	1.3%	0.0%	0.1%	--
Total loans	2.0%	0.8%	0.0%	0.2%	--